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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	)	Chapter 11
	)	
KB US Holdings, Inc., *et al.*,	)	Case No. 20-22962 (SHL)
	)	
Debtors.[1]	)	(Jointly Administered)
	)	

DECLARATION OF JUSTIN EWING IN SUPPORT OF SALE OF ASSETS TO ACME MARKETS, INC.

I, Justin Ewing, am over 18 years of age and hereby state, under penalty of perjury, as follows:

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: KB US Holdings, Inc. (1000), KB Holding, Inc. (3082), AG Kings Holdings Inc.(8681), AG Holdings II Inc. (3828), Kings Super Markets, Inc. (6769), Balducci's Holdings LLC (1913), Balducci's Connecticut LLC (1945), Balducci's Maryland LLC (1926), Balducci's Virginia LLC (1949), and Balducci's New York LLC (1934). The location of the Debtors' corporate headquarters is 700 Lanidex Plaza Parsippany, NJ 07054.

My Background

1. I am the Executive Vice President of Corporate Development & Real Estate for Albertsons Companies, Inc. ("Albertsons"), including its subsidiary Acme Markets, Inc. ("Acme"). I make this Declaration in support of the Debtors' sale of certain assets to Acme based on personal knowledge and review of the relevant pleadings, except for the statements made herein which are made on information and belief. I am competent to testify to the facts set forth herein.

2. I have been employed by Albertsons since 2006. I became Executive Vice President of Corporate Development & Real Estate in January 2015.

3. Acme is a wholly owned subsidiary of Albertsons, one of the largest food and drug retailers in the United States, operating, as of June 20, 2020, 2,252 stores across 34 states under 20 well-known brands. I am a member of the team of employees responsible for the actions of Acme and its agents with respect to that certain Asset Purchase Agreement dated as of October 19, 2020 between Acme Markets, Inc. and KB US Holdings, Inc. and certain of its wholly owned subsidiaries (the "APA"). I am familiar with the actions of Acme generally with respect to the APA, including the negotiations of the terms thereof with the Debtors. All descriptions of the APA and the transactions contemplated thereby contained herein are subject in all respects to the terms of the APA as filed with the Court. Capitalized terms used herein and not otherwise defined have the meanings assigned to them in the APA.

Asset Purchase Agreement

4. I am informed that on August 24, 2020, the KB US Holdings, Inc. and certain affiliates (collectively, the "Debtors") filed the *Debtors' Motion for Entry of (I) Order (A) Authorizing Performance Under the Stalking Horse Purchase Agreement, (B) Approving Bidding Procedures for the Sale of Assets, (C) Scheduling Hearings and Objection Deadlines with Respect*

to the Sale, (D) Scheduling Bid Deadline and an Auction, (E) Approving the Form and Manner of Notice Thereof, (F) Approving Contract Assumption and Assignment Procedures, and (G) Granting Related Relief; and (II) Order (A) Authorizing the Sale of Assets Free and Clear, (B) Authorizing Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief [Docket No. 20] (the "<u>Sale Motion</u>").

5. I am also informed that on September 21, 2020, this Court approved bidding procedures to solicit bids for, and an auction of, certain of the Debtors' assets and entered the amended *Order (A) Authorizing Performance Under the Stalking Horse Purchase Agreement, (B) Approving Bidding Procedures for the Sale of Assets, (C) Scheduling Hearings and Objection Deadlines with Respect to the Sale, (D) Scheduling Bid Deadline and an Auction, (E) Approving the Form and Manner of Notice Thereof, (F) Approving Contract Assumption and Assignment Procedures, and (G) Granting Related Relief* [Docket No. 184] (the "<u>Bidding Procedures Order</u>").

6. On October 9, 2020, in response to a solicitation and marketing process initiated by the Debtors, as described more fully in the Sale Motion, and pursuant to the Bidding Procedures Order, Acme submitted a qualifying bid for Acme's potential purchase of certain assets owned by the Debtors at 27 store locations (the "<u>Bid</u>").

7. On October 13, 2020, the Debtors held an Auction for the sale of the Debtors' assets. I am informed that on October 14, 2020, the Debtors filed the *Notice of Successful Bidder and Back-Up Bidder at Auction and Notice of Sale Hearing* [Docket No. 266] and declared Acme the Successful Bidder at the Auction.

8. I am informed that on October 19, 2020, the Debtors filed the APA with the Court. *See* Docket No. 281. The APA contemplates, among other things, the acquisition by Acme of

certain of the Debtors' assets including (a) the Assumed Contracts and (b) certain other assets as specified in Section 2.01(a)-(t) (collectively, the "Acquired Assets").

9. As more specifically provided in the APA, and subject to all of the terms and conditions thereof, in consideration for the Acquired Assets and subject to the terms of the APA, Acme will pay $96,400,000, subject to certain adjustments provided for in the APA, and will assume the Assumed Liabilities.

10. I am informed that this Court will consider the Debtors' proposed sale to Acme at a hearing scheduled for October 22, 2020 at 2:00 p.m. (prevailing Eastern Time).

Good Faith

11. During the entire process through the completion of the Auction, Acme fully complied with the Bidding Procedures Order. At all times during the sale process, Acme's actions, communications and negotiations with the Debtors were in good faith. Acme never engaged in any collusion with respect to the APA or in the submission of its Bid. Acme's negotiations with the Debtors and their representatives and advisors were at arm's length at all times. Acme does not have any understanding or agreement with another bidder or any other person or entity with respect to the Acquired Assets or any other assets of the Debtors that is intended to affect the price paid for the Acquired Assets. I believe I would be aware of any such understanding or agreement that might exist in my capacity as Executive Vice President of Corporate Development & Real Estate.

12. Acme has not exerted control or undue influence over the Debtors. Acme does not share any common officers, directors or stockholders with the Debtors, has not made or committed to make any offers of employment or any other offer to any thereof in connection with the sale process, and Acme is not an insider of the Debtors. Accordingly, I believe Acme has acted in good

faith and, therefore, I understand that Acme is entitled to the protections afforded to good faith purchasers under section 363(m) of title 11 of the United States Code (the "Bankruptcy Code").

Adequate Assurance of Future Performance

13. In accordance with the Bidding Procedures Order, Acme provided to the Debtors information regarding the adequate assurance of future performance by Acme with respect to the Acquired Assets for dissemination to the relevant lease and contract counterparties (the "Adequate Assurance Information"). The Adequate Assurance Information contained information supporting Acme's financial wherewithal and ability to perform under the Assumed Contracts. The Adequate Assurance Information is attached to this Declaration as Exhibit A.

14. Acme has sufficient cash and access to available credit to enable payment of all amounts required to be paid by Acme under the APA and the Assumed Contracts. For the benefit of the Court and other parties, also attached to this Declaration as Exhibit B is an excerpt from the Form 10-Q which was filed with the United States Securities and Exchange Commission by Albertsons on October 21, 2020 (the "Financials"). The Financials provide the consolidated financial statements of Albertsons and its subsidiaries. The Form 10-Q, including Notes to the Financials, is available in its entirety, at no charge, at www.sec.gov.

15. I am informed that there are certain requirements under the Bankruptcy Code relating to adequate assurance of future performance under leases of real property in a shopping center. Acme intends to comply with such requirements to the extent applicable to the Acquired Assets under the APA. Accordingly, I have no reason to believe that Acme will not be able to fulfill the adequate assurance requirements under the Bankruptcy Code.

No Successor Liability

16. It is my understanding that Acme is acquiring the Acquired Assets free and clear of any liens, claims, encumbrances and interests, other than the Assumed Liabilities and Permitted Liens, as set forth in the APA and the order approving the proposed sale transaction (the "Sale Order"). Acme would not be acquiring the Acquired Assets if they could not be acquired free and clear of any liens, claims, encumbrances and interests other than the Assumed Liabilities and Permitted Liens. In addition, Acme would not have agreed to the proposed sale transaction or the APA if Acme could be held liable for claims against the Debtors, other than the Assumed Liabilities and Permitted Liens, if Acme could be held liable for claims against the Debtors under any theory of successor liability, *de facto* merger, substantial continuity, or similar theories, except as otherwise set forth in the APA and the Sale Order.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

DATED this 21st day of October, 2020

DocuSigned by:
Justin Ewing
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Justin Ewing
Executive Vice President, Corporate
Development & Real Estate

EXHIBIT A

ADEQUATE ASSURANCE PACKAGE

October 9, 2020

Re: In re KB Holdings, Inc., et al. (Case No. 20-22962 SDNY)
Acquisition of Kings and Balducci's stores by Acme Markets, Inc.

Purpose: The purpose of this presentation is to provide adequate assurances for any executory contracts and leases to be assumed and assigned to Acme Markets, Inc. (or its designee), and any corresponding asset purchase agreement, in accordance with the Order (A) Authorizing Entry Into and Performance under the Stalking Horse Purchase Agreement, (B) Approving Bidding Procedures for the Sale of Assets, (C) Scheduling Hearings and Objection Deadlines with Respect to the Sale, (D) Scheduling Bid Deadline and an Auction, (E) Approving the form and Manner of Notice Thereof, (F) Approving Contract Assumption and Assignment Procedures, and (G) Granting Related Relief (Dkt Entry #184)

Buyer/Assignee: Acme Markets, Inc. (or its designee).

Contact: For additional information, please contact Michael Dingel, Sr. Attorney, at michael.dingel@albertsons.com (208-949-7923).

Narrative: The parent company of Acme Markets, Inc. ("Acme") is Albertsons Companies, Inc. ("Albertsons"), which through its subsidiaries in its Mid-Atlantic Division operates approximately 276 stores including 164 ACME stores in Pennsylvania, New Jersey, Delaware, Maryland, New York and Connecticut and 112 Safeway stores in Maryland, Delaware, Virginia and Washington D.C. Further information about Albertsons Mid-Atlantic Division is attached.

Albertsons is one of the largest food retailers in the United States, with 2,252 stores across 34 states and the District of Columbia.[1] We operate 20 iconic banners with on average 85 years of operating history, including Albertsons, Safeway, Vons, Pavilions, Randalls, Tom Thumb, Carrs, Jewel-Osco, Acme, Shaw's, Star Market, United Supermarkets, Market Street and Haggen, with approximately 270,000 talented and dedicated employees, as of February 29, 2020, who serve on average more than 33 million customers each week. Additionally, as of February 29, 2020, we operated 1,290 in-store branded coffee shops, 402 adjacent fuel centers, 23 dedicated distribution centers, 20 manufacturing facilities and various online platforms. Our stores operate in First-and-Main retail locations and have leading market share within attractive and growing geographies. We hold a #1 or #2 position by market share in 68% of the 121 metropolitan statistical areas ("MSAs") in which we operate. Our portfolio of well-located, full-service stores provides the foundation of our omni-channel platform, including our rapidly growing Drive Up & Go curbside pickup, home delivery and rush delivery offerings. We seek to tailor our offerings to local demographics and preferences of the markets that we operate in. Our Locally Great,

[1] The enclosed was taken from an SEC filing Albertsons made on June 29, 2020.

Nationally Strong operating structure empowers decision making at the local level, which we believe better serves our customers and communities, while also providing the systems, analytics and buying power afforded by an organization with national scale and $62.5 billion in annual sales. Throughout the coronavirus (COVID-19) pandemic, our highest priorities have been the safety of our associates and customers and maintaining the supply of product. During the first eight weeks of fiscal 2020, we have delivered strong sales growth and increases in market share across our portfolio.

We are focused on creating deep and lasting relationships with our customers by offering them an experience that is Easy, Exciting and Friendly – wherever, whenever and however they choose to shop. We make life Easy for our customers through a convenient and consistent shopping experience across our omni-channel network. Merchandising is at our core and we offer an Exciting and differentiated product assortment. We believe we are an industry leader in fresh, emphasizing organic, locally sourced and seasonal items as well as value-added services like daily fresh-cut fruit and vegetables, customized meat cuts and seafood varieties, made-from-scratch bakery items, prepared foods, deli and floral. We also continue to grow our innovative and distinctive Own Brands portfolio, which achieved over $13.1 billion in sales during fiscal 2019 and reached 25.4% sales penetration. Our Friendly service is embedded in our culture and enables us to build deep ties with our local communities.

Our Easy, Exciting and Friendly shopping experience, coupled with our nationwide just for U, grocery and fuel rewards programs and pharmacy services, offers a differentiated value proposition to our customers. The just for U program has 20.7 million registered loyalty households which, we believe, provides us with a comprehensive understanding of our core shoppers. These loyalty programs and our omni-channel offerings combine to form an extended loyalty ecosystem that drives increased customer lifetime value through greater purchase frequency, larger basket size and higher customer retention.

Our Company has grown through a series of transformational acquisitions over the last six years, including our merger with Safeway in 2015 which gave us the benefits of national scale. While our banners have rich histories, we are in many ways a young company. We have integrated systems and converted stores and distribution centers to create a common platform. We believe our common platform gives us greater transparency and compatibility across our network, allowing us to better serve our customers and employees while enhancing our supply chain.

We continue to sharpen our in-store execution, increase our Own Brands penetration and expand our omni-channel and digital capabilities. We have invested substantially in our business, deploying approximately $6.8 billion of capital expenditures beginning with fiscal 2015, including the $1.5 billion we spent in fiscal 2019. We used that capital to remodel existing stores, opportunistically build new stores and enhance our digital capabilities. We have also developed and begun to implement specific productivity initiatives across our business that target $1 billion of annual run-rate productivity benefits by the end of fiscal 2022 to help offset cost inflation, fund growth and drive earnings. While certain projects are well underway and contributing as expected, in other cases, we have temporarily paused some of our initiatives to

ensure we are first taking care of our customers and our communities, while focusing on the safety of our associates during the coronavirus (COVID-19) pandemic.

We have enhanced our management team, adding executives with complementary backgrounds to position us well for the future, including our President and CEO, Vivek Sankaran, who joined the Company from PepsiCo in April 2019. In fiscal 2019, we also added Chris Rupp as Chief Customer & Digital Officer and Mike Theilmann as Chief Human Resources Officer. In addition, we have internally promoted and expanded the roles of certain key members of our leadership team, including Susan Morris, our Chief Operations Officer, and Geoff White, our Chief Merchandising Officer.

Our recent operational initiatives are driving positive financial momentum. We realized strong financial performance in fiscal 2019, generating net sales of $62.5 billion, Adjusted EBITDA of $2.8 billion and Adjusted Free Cash Flow of $1.4 billion. We have achieved nine consecutive quarters of positive identical sales growth. Adjusted EBITDA grew from $2.7 billion in fiscal 2018 to $2.8 billion in fiscal 2019 and we generated a cumulative $6.7 billion in Adjusted Free Cash Flow since the start of fiscal 2015. The momentum we are experiencing gives us confidence that our Easy, Exciting and Friendly identity resonates with customers. We believe our strategic framework will enable us to continue delivering profitable growth going forward.

For more information about Albertsons, including the company's financial statements, please see our filings made with the Securities & Exchange Commission (ticker symbol ACI).

ACME | SAFEWAY
Mid-Atlantic
a division of Albertsons Companies

About the Mid-Atlantic Division

Albertsons Companies' Mid-Atlantic Division is headquartered in the suburban Philadelphia community of Malvern, Pennsylvania. The division is comprised of two well known banners with rich histories: 129-year-old ACME and 105-year-old Safeway.

- The Mid-Atlantic Division's purpose is to run the best local supermarkets for our customers, employees, partners and communities
- Our Company is led by an experienced and highly regarded management team with significant expertise in turning around challenged stores
- Differentiated, proven, scalable operating model
- Supported by Albertsons Companies, Inc., the 2nd largest traditional supermarket chain in the United States
- Strong community partner
- Our Simple Operating Philosophy:

"We Run Great Stores!"

ACME | SAFEWAY
Mid-Atlantic
a division of Albertsons Companies

History

ACME

- Founded in 1891 by Samuel Robinson and Robert Crawford
- Robinson/Crawford merged their stores with four Philadelphia grocers in 1917 to become the American Stores Company
- In the 1930s, most of the storefronts became ACME
- Has always been a traditional banner with focus on high quality, fresh produce and meat and prepared foods

SAFEWAY.

- Founded in 1915 when M.B. Skaggs purchases a *Skaggs Store* grocery store from his father, in American Falls, ID.
- In 1926, Skaggs buys a 322-store *Safeway* Grocery Chain and incorporated as Safeway, Inc.
- Stores are acquired in Maryland, Virginia, and Washington D.C. in 1928
- Has always been a traditional banner with focus on high quality, fresh produce and meat and prepared foods

Today

- The Mid-Atlantic Division operates approximately 276 stores including 164 ACME stores in Pennsylvania, New Jersey, Delaware, Maryland, New York and Connecticut and 112 Safeway stores in Maryland, Delaware, Virginia and Washington D.C.

- The Mid-Atlantic Division Senior Leadership:
  - Jim Perkins – President (35+ years in the grocery business)
  - Tom Lofland – SVP Merchandising and Marketing (30+ years in the business)
  - Bill Crosby –SVP of Operations (35+ years in the business)

- Employees: ~30,000

EXHIBIT B

FINANCIALS

Albertsons Companies, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets

(in millions, except share data)
(unaudited)

	September 12, 2020	February 29, 2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,389.6	$ 470.7
Receivables, net	547.1	525.3
Inventories, net	4,267.1	4,352.5
Other current assets	374.8	382.8
Total current assets	7,578.6	5,731.3
Property and equipment, net	9,110.0	9,211.9
Operating lease right-of-use assets	5,769.2	5,867.4
Intangible assets, net	2,077.8	2,087.2
Goodwill	1,183.3	1,183.3
Other assets	750.7	654.0
TOTAL ASSETS	$ 26,469.6	$ 24,735.1
LIABILITIES		
Current liabilities		
Accounts payable	$ 3,389.8	$ 2,891.1
Accrued salaries and wages	1,280.3	1,126.0
Current maturities of long-term debt and finance lease obligations	331.6	221.4
Current maturities of operating lease obligations	577.8	563.1
Other current liabilities	1,148.2	1,102.7
Total current liabilities	6,727.7	5,904.3
Long-term debt and finance lease obligations	8,460.0	8,493.3
Long-term operating lease obligations	5,385.0	5,402.8
Deferred income taxes	563.8	613.8
Other long-term liabilities	2,232.4	2,042.8
Commitments and contingencies		
Series A convertible preferred stock, $0.01 par value; 1,750,000 shares authorized, 924,000 shares issued and outstanding as of September 12, 2020 and no shares authorized, issued and outstanding as of February 29, 2020	844.3	—
Series A-1 convertible preferred stock, $0.01 par value; 1,410,000 shares authorized, 826,000 shares issued and outstanding as of September 12, 2020 and no shares authorized, issued and outstanding as of February 29, 2020	754.8	—
STOCKHOLDERS' EQUITY		
Undesignated preferred stock, $0.01 par value; 96,840,000 shares authorized, no shares issued as of September 12, 2020 and 30,000,000 shares authorized, no shares issued as of February 29, 2020	—	—
Class A common stock, $0.01 par value; 1,000,000,000 shares authorized, 584,332,211 and 582,997,251 shares issued as of September 12, 2020 and February 29, 2020, respectively	5.8	5.8
Class A-1 convertible common stock, $0.01 par value; 150,000,000 shares authorized, no shares issued as of September 12, 2020 and no shares authorized and issued as of February 29, 2020	—	—
Additional paid-in capital	1,875.8	1,824.3
Treasury stock, at cost, 105,283,357 shares held as of September 12, 2020 and 3,671,621 shares held as of February 29, 2020	(1,705.8)	(25.8)
Accumulated other comprehensive loss	(106.4)	(118.5)
Retained earnings	1,432.2	592.3
Total stockholders' equity	1,501.6	2,278.1
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 26,469.6	$ 24,735.1

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Albertsons Companies, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations and Comprehensive Income
(in millions, except per share data)
(unaudited)

	12 weeks ended		28 weeks ended	
	September 12, 2020	September 7, 2019	September 12, 2020	September 7, 2019
Net sales and other revenue	$ 15,757.6	$ 14,176.7	$ 38,509.2	$ 32,915.1
Cost of sales	11,182.7	10,235.2	27,162.8	23,734.0
Gross profit	4,574.9	3,941.5	11,346.4	9,181.1
Selling and administrative expenses	4,031.2	3,794.6	9,800.6	8,741.2
(Gain) loss on property dispositions and impairment losses, net	(18.3)	(435.5)	12.0	(464.0)
Operating income	562.0	582.4	1,533.8	903.9
Interest expense, net	128.6	177.5	309.2	402.7
Loss on debt extinguishment	49.1	23.1	49.1	65.8
Other (income) expense, net	(11.4)	5.1	(8.3)	(6.0)
Income before income taxes	395.7	376.7	1,183.8	441.4
Income tax expense	111.2	81.9	313.1	97.6
Net income	$ 284.5	$ 294.8	$ 870.7	$ 343.8
Other comprehensive income (loss), net of tax				
Loss on interest rate swaps	—	(11.3)	—	(38.3)
Recognition of pension gain	10.1	0.7	10.9	24.1
Other	0.3	1.3	1.2	3.0
Other comprehensive income (loss)	$ 10.4	$ (9.3)	$ 12.1	$ (11.2)
Comprehensive income	$ 294.9	$ 285.5	$ 882.8	$ 332.6
Net income per Class A common share				
Basic net income per Class A common share	$ 0.52	$ 0.51	$ 1.57	$ 0.59
Diluted net income per Class A common share	0.49	0.51	1.49	0.59
Weighted average Class A common shares outstanding				
Basic	477.3	579.3	529.2	579.3
Diluted	582.9	580.6	583.3	580.0

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Albertsons Companies, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in millions)
(unaudited)

	28 weeks ended	
	September 12, 2020	**September 7, 2019**
Cash flows from operating activities:		
Net income	$ 870.7	$ 343.8
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss (gain) on property dispositions and impairment losses, net	12.0	(464.0)
Depreciation and amortization	808.8	897.6
Operating lease right-of-use assets amortization	309.3	288.4
LIFO expense	23.2	16.3
Deferred income tax	2.8	(14.4)
Contributions to pension and post-retirement benefit plans, net of (income) expense	(68.9)	(12.0)
Loss on interest rate swaps and commodity hedges, net	25.9	0.3
Amortization and write-off of deferred financing costs	11.2	26.1
Loss on debt extinguishment	49.1	65.8
Equity-based compensation expense	28.3	17.6
Other	(28.7)	19.6
Changes in operating assets and liabilities:		
Receivables, net	(21.7)	67.4
Inventories, net	62.2	(23.8)
Accounts payable, accrued salaries and wages and other accrued liabilities	585.4	86.8
Operating lease liabilities	(228.4)	(267.9)
Self-insurance assets and liabilities	24.2	6.1
Other operating assets and liabilities	255.4	31.1
Net cash provided by operating activities	2,720.8	1,084.8
Cash flows from investing activities:		
Payments for property, equipment and intangibles, including payments for lease buyouts	(702.9)	(716.3)
Proceeds from sale of assets	20.6	1,029.5
Other	(4.8)	(5.5)
Net cash (used in) provided by investing activities	(687.1)	307.7
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	3,500.0	750.0
Payments on long-term borrowings	(3,388.5)	(2,558.4)
Payments of obligations under finance leases	(32.9)	(56.1)
Payment of redemption premium on debt extinguishment	(41.4)	—
Payments for debt financing costs	(15.6)	(14.9)
Proceeds from convertible preferred stock	1,680.0	—
Third party issuance costs on convertible preferred stock	(80.9)	—
Treasury stock purchase, at cost	(1,680.0)	—
Other	(21.4)	(16.1)
Net cash used in financing activities	(80.7)	(1,895.5)
Net increase (decrease) in cash and cash equivalents and restricted cash	1,953.0	(503.0)
Cash and cash equivalents and restricted cash at beginning of period	478.9	967.7
Cash and cash equivalents and restricted cash at end of period	$ 2,431.9	$ 464.7

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Albertsons Companies, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Equity
(in millions, except share data)
(unaudited)

	Class A Common Stock		Additional paid in capital	Treasury Stock		Accumulated other comprehensive loss	Retained earnings	Total stockholders' equity
	Shares	Amount		Shares	Amount			
Balance as of February 29, 2020	582,997,251	$ 5.8	$ 1,824.3	3,671,621	$ (25.8)	$ (118.5)	$ 592.3	$ 2,278.1
Issuance of common stock to Company's parents	1,312,859	—	—	—	—	—	—	—
Equity-based compensation	—	—	19.0	—	—	—	—	19.0
Employee tax withholding on vesting of phantom units	—	—	(6.2)	—	—	—	—	(6.2)
Repurchase of common stock	—	—	—	101,611,736	(1,680.0)	—	—	(1,680.0)
Dividends accrued on convertible preferred stock	—	—	—	—	—	—	(3.9)	(3.9)
Net income	—	—	—	—	—	—	586.2	586.2
Other comprehensive income, net of tax	—	—	—	—	—	1.7	—	1.7
Balance as of June 20, 2020	584,310,110	5.8	1,837.1	105,283,357	(1,705.8)	(116.8)	1,174.6	1,194.9
Equity-based compensation	—	—	9.3	—	—	—	—	9.3
Shares issued and employee tax withholding on vesting of restricted stock	22,101	—	(0.5)	—	—	—	—	(0.5)
Equity reclassification	—	—	30.0	—	—	—	—	30.0
Dividends accrued on convertible preferred stock	—	—	—	—	—	—	(26.9)	(26.9)
Net income	—	—	—	—	—	—	284.5	284.5
Other comprehensive income, net of tax	—	—	—	—	—	10.4	—	10.4
Other activity	—	—	(0.1)	—	—	—	—	(0.1)
Balance as of September 12, 2020	584,332,211	$ 5.8	$ 1,875.8	105,283,357	$ (1,705.8)	$ (106.4)	$ 1,432.2	$ 1,501.6

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Albertsons Companies, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Equity
(in millions, except share data)
(unaudited)

	Class A Common Stock		Additional paid in capital	Treasury Stock		Accumulated other comprehensive income	Retained earnings (accumulated deficit)	Total stockholders' equity
	Shares	Amount		Shares	Amount			
Balance as of February 23, 2019	579,443,146	$ 5.8	$ 1,811.2	3,671,621	$ (25.8)	$ 91.3	$ (431.8)	$ 1,450.7
Equity-based compensation	—	—	11.1	—	—	—	—	11.1
Employee tax withholding on vesting of phantom units	—	—	(12.1)	—	—	—	—	(12.1)
Adoption of new accounting standards, net of tax	—	—	—	—	—	16.6	558.0	574.6
Net income	—	—	—	—	—	—	49.0	49.0
Other comprehensive loss, net of tax	—	—	—	—	—	(18.5)	—	(18.5)
Other activity	—	—	(0.1)	—	—	—	(0.3)	(0.4)
Balance as of June 15, 2019	579,443,146	5.8	$ 1,810.1	3,671,621	$ (25.8)	$ 89.4	174.9	2,054.4
Equity-based compensation	—	—	6.5	—	—	—	—	6.5
Employee tax withholding on vesting of phantom units	—	—	(0.9)	—	—	—	—	(0.9)
Net income	—	—	—	—	—	—	294.8	294.8
Other comprehensive loss, net of tax	—	—	—	—	—	(9.3)	—	(9.3)
Balance as of September 7, 2019	579,443,146	$ 5.8	$ 1,815.7	3,671,621	$ (25.8)	$ 80.1	$ 469.7	$ 2,345.5

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.